



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

MAR 12 1997

John C. Murphy, Jr., Esq.
Cleary, Gottlieb, Steen & Hamilton
1752 N Street, N.W.
Washington, D.C. 20036

Dear Mr. Murphy:

As requested in the letters dated March 5, 1997, and January 10, 1997, from Anteilsverwaltung-Zentralsparkasse ("AV-Z"), and Bank Austria Aktiengesellschaft ("Bank Austria"), both of Vienna, Austria, the Board of Governors has granted consent under Section 4(c)(9) of the Bank Holding Company Act ("BHC Act") for AV-Z and Bank Austria to acquire indirectly certain U.S. nonbank subsidiaries of Creditanstalt Bankverein ("Creditanstalt"), Vienna, Austria, for which prior approval is required under the BHC Act. Bank Austria is acquiring a controlling interest in Creditanstalt pursuant to the winning bid in an auction of shares of Creditanstalt conducted by the Republic of Austria, the current holder of the shares.

In granting its consent, the Board relied on the following commitments made by AV-Z and Bank Austria in the application:

1. AV-Z and Bank Austria will make the necessary filings under the BHC Act as promptly as practicable, and in any event within the period ending 90 days after the date on which Bank Austria acquires the shares of Creditanstalt for which it made a bid;
2. AV-Z and Bank Austria will comply with any conditions imposed by the Board in connection with the notifications, applications and waivers referred to in their application, including any divestiture of assets or shares within such time as the Board may require.

AV-Z and Bank Austria also have requested permission to maintain both Bank Austria's New York branch and Creditanstalt's Connecticut branch for the period ending one year from the date on which Bank Austria acquires the shares of Creditanstalt for which it made a bid. AV-Z and Bank Austria have committed to bring Bank Austria and Creditanstalt into compliance with the home state provisions of Regulation K by the end of that period.

has determined to allow Bank Austria and Creditanstalt a year from the date on which Bank Austria acquires a controlling interest in Creditanstalt to conform the U.S. branch activities of the two banks to the interstate requirements of Regulation K.

Based on its consideration of the facts of record and the commitments noted above, the Board has determined that granting temporary authority under section 4(c)(9) would not be substantially at variance with the purposes of the BHC Act and would be in the public interest. The commitments relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

Very truly yours,

(Signed) Jennifer J. Johnson



Jennifer J. Johnson
Deputy Secretary of the Board

cc: John S. Cassidy, Federal Reserve Bank of New York